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RUEHNE/AMEMBASSY NEW DELHI 4912
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RUEHCN/AMCONSUL CHENGDU 1533
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RUEHCI/AMCONSUL KOLKATA 0384
RUEAIIA/CIA WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RUEKJCS/DIA WASHDC
RUEHGV/USMISSION GENEVA 3933
RHEHNSC/NSC WASHDC
RUEKJCS/SECDEF WASHDC
RUEKJCS/JOINT STAFF WASHDC
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C O N F I D E N T I A L SECTION 01 OF 04 RANGOON 000600

SIPDIS

STATE FOR EAP/MLS, INR/EAP
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TAGS: [EAID](#) [ECON](#) [PREL](#) [PGOV](#) [BM](#)
SUBJECT: BURMA: CYCLONE DAMAGE ASSESSMENT

REF: A. RANGOON 592
[1](#)B. RANGOON 417
[1](#)C. RANGOON 585
[1](#)D. RANGOON 500

RANGOON 00000600 001.2 OF 004

Classified By: Economic Officer Samantha A. Carl-Yoder for Reasons 1.4
(b and d)

[1](#)1. (SBU) The UN and ASEAN on July 21 released the Post-Nargis Joint Assessment (PONJA) report, which detailed the findings of more than 300 experts surveying more than 100 townships in the Irrawaddy Delta. The storm had a significant sociological impact on Burma: of the more than 150,000 people dead or missing, 61 percent were women and children; more than one-quarter of respondents reported observing or experiencing psychological trauma; and 58 percent of survivors placed more emphasis on the need to rebuild religious buildings than other structures. According to the report, approximately 75 percent of health centers were either destroyed or damaged; 50-60 percent of public schools were destroyed or damaged; more than 600,000 hectares of rice fields were flooded; 450,000 homes were destroyed and 350,000 were damaged; and 50 percent of farm animals were killed. Cyclone Nargis caused more than \$4 billion in loss and damages, roughly 27 percent of GDP, although the UN and ASEAN estimated that Burma needed \$1 billion over the next three years to rebuild the affected areas. The Burmese Government claims to have spent more than 70 billion kyat (\$65 million) on cyclone relief. Recovery efforts will continue for the near future. Respondents reported their most immediate needs were food security, livelihoods, quality education, potable water, and early warning systems. End Summary.

Methodology

¶2. (SBU) The UN and ASEAN, working with NGOs and the Burmese Government, conducted the Post-Nargis Joint Assessment (PONJA) in response to the international community's request during the May Donors Conference (Ref B). UN Resident Coordinator Bishow Parajuli explained that the PONJA Report included information from two distinct assessments - the Village Tract Assessment (VTA), which identified vulnerabilities and capacities in the worst-hit areas, and the Damage and Loss Assessment (DaLa), which estimated the economic impact of the storm to infrastructure. During the two-week VTA, 250 experts from the UN, ASEAN, NGOs, and the Burmese Government assessed the needs in 291 villages in 30 townships. Villages were chosen through a quadrant sampling method to ensure that small and large communities were included. During the DaLa assessment, experts traveled to 79 separate townships, estimating the impact of the disaster on infrastructure. The two distinct assessments provided a clear picture of the effects of Cyclone Nargis, Parajuli stated during the July 21 press conference.

¶3. (SBU) The PONJA Report noted that while the VTA and DaLa established baselines for vulnerabilities and loss, the assessments had some limitations:
--The PONJA teams found the sample selection for households within each village difficult to standardize;
--The teams could not reach some of the originally selected villages due to lack of bridges or transportation;
--Some women were reluctant to respond to the assessors;
--Observers had difficulty identifying destroyed homes; and
--Lack of baseline data for some key areas restricted the ability of the teams to make statistical inferences.

RANGOON 00000600 002.2 OF 004

Despite the challenges, the UN and ASEAN concluded that the report was a fair assessment of needs and losses as of mid-June.

¶4. (C) Both the VTA and DaLa marked the first time in many years that international organizations and the Burmese Government jointly conducted large-scale data collection and analysis. UN U/SGY for Humanitarian Relief John Holmes told diplomats during a July 23 meeting that the GOB did not challenge the VTA and DaLa teams' findings and allowed them to be published with little editing. Resident Emergency Coordinator Dan Baker admitted later that in exchange for accepting the teams' analysis with little revision, the GOB requested that the UN/ASEAN teams not edit the chapter on its cyclone relief efforts.

Findings

¶5. (SBU) According to Deputy Foreign Minister U Kyaw Thu, Cyclone Nargis cost Burma a total of \$4 billion in losses (57 percent) and damages (43 percent), roughly 27 percent of GDP (\$13.5 billion in 2007). As defined by the PONJA report, damage refers to the actual destruction of physical assets and losses reflect the reduction of economic activity after the cyclone. While Cyclone Nargis inflicted considerable damage across the board, the most affected sectors include industry (\$1.8 billion in losses and damages), housing (\$647 million in loss and damage), and the agriculture and fishing sectors (\$630 million in losses and damages). PONJA Coordinator Nicholas Win Myint noted that while the overall cost was \$4 billion, the PONJA concluded that Burma needed \$1 billion over three years for relief and recovery. The difference between the \$4 billion and \$1 billion included loss of incomes and revenues that could not be regained and damages to industry, commerce, and other private entities not covered by public funds. The \$4 billion estimate was substantially lower than the GOB's initial damage assessment of \$11 billion reported to the donors at the May 25 pledging conference.

----- PONJA Damage and Loss Estimates -----				
Sector	Damage Kyat Billion	Loss Kyat Billion	Total Kyat Billion	Total USD Million
Health	12.7	6.2	18.9	17.2
Education	115.3	1.0	116.3	105.7
Ag/Fishing	186.3	508.3	694.6	630.0
Industry	512.5	1483.5	1997.0	1814.5
Commerce	37.2	483.4	520.6	473.3
Housing	686.0	25.9	711.9	647.2
Water	8.1	0.4	8.5	7.7
Transport/Comms	112.0	62.7	184.7	167.9
Electricity	15.4	0.3	15.7	14.3
Public Buildings	217.4	0.0	217.4	197.6
Environment	16.8	46.1	62.9	57.2

Total Bil. Kyats	1930.0	2618.0	4547.0	
Total Mil. USD	1754.0	2380.0		4134.0

Source: PONJA 2008

¶6. (SBU) According to Nicholas Win Myint, the majority of the losses were experienced at the household level: 75

RANGOON 00000600 003.2 OF 004

percent of health facilities were damaged or destroyed; more than 4,000 schools, roughly 63 percent in the delta, were damaged or destroyed; 450,000 homes were destroyed and 350,000 homes were damaged; 600,000 hectares were flooded; and 50 percent of farm animals were killed. Assessors found that 34 percent of survivors had no remaining food stocks, while 45 percent had food for no more than a week. Most villages lost access to basic services and farmers, fishermen, and day laborers lost their livelihoods. The UN, NGOs, GOB, and private companies have repaired some of these structures and assisted farmers and fishermen to resume work.

According to the PONJA report, more than 75 percent of households interviewed had rebuilt their homes. Nevertheless, a substantial amount of work remains. The most immediate needs, as reported in the PONJA report, are to reestablish food security, assist people with the resumption of their livelihoods and economic security, promote quality education activities, secure access to potable water, and improve disaster risk management by strengthening early warning systems.

¶7. (SBU) In addition to structural damage, Cyclone Nargis had a significant sociological impact on Burma. Women and children were disproportionately affected by the storm, distorting social structures. Of the 150,000 people dead or missing, 61 percent were women and children. The PONJA report confirmed that the expected outbreaks of disease and health-related deaths after the storm did not occur. It also noted that 23 percent of respondents reported that family members had experienced or observed psychological problems due to Nargis. Fifty-eight percent of villagers interviewed indicated that the rebuilding of religious facilities was more important than health facilities and other structures.

¶8. (SBU) Nicholas Win Myint emphasized that the PONJA report, in identifying and quantifying priority needs, provided a baseline for future monitoring and evaluation efforts. He also noted that the UN used the PONJA data for its Revised Flash Appeal, released on July 10.

GOB Response Exaggerated

¶9. (C) The report included a chapter on the GOB's response to Cyclone Nargis, written by officials from the Ministry of Social Welfare and the Ministry of National Planning. According to GOB statistics, the Government spent more than

70 billion kyat (\$65 million) on assisting cyclone survivors.

The GOB highlighted some of its efforts, including the restoration of electricity to all 33 townships in Rangoon within four days of the storm, the provision of more than 23,000 metric tons of paddy seeds, approximately 71 percent of need, to affected villages, and the construction of new CDMA 450 stations to service 3,662 new cell phones. (Note: For the real picture on the electrical and agricultural situations after the storm, see Refs C and D.) The GOB lauded the military, noting that the armed forces not only provided services to assist the GOB, NGOs, UN agencies, and private businesses with their relief efforts, but were instrumental in maintaining peace and security during the aftermath of the storm. The Government also emphasized its role in coordinating with private businesses, noting how it provided construction materials either free of charge or at heavily subsidized prices. By mid-June, private Burmese businesses had spent more than \$70 million on relief efforts. (Note: this figure is actually much higher, as it does not include assistance provided by smaller businesses and individuals.)

RANGOON 00000600 004.2 OF 004

Comment

¶10. (C) The PONJA report was significant more for its methodology than its findings. During the two-week assessment, the GOB not only granted UN, ASEAN, and NGO officials access to some of the most remote locations in Burma, but it also allowed them to collect, analyze, and publish data with little scrutiny or editing. The UN and GOB have gone around in circles for years as the UN tried to conduct baseline surveys for its programs. Although the GOB never explained its reluctance, UN and INGO staff speculated that the GOB feared its reported numbers being exposed as the fantasy numbers most experts recognize. The data proved useful in coming up with a more credible figure for how much damage the cyclone caused, which forced the GOB to revise its initial estimate of \$11 billion in damages to a more realistic figure of \$4 billion. The PONJA report is not without flaws, but offers the most comprehensive and credible assessment we are likely to see come out of Burma. Donor response will depend on continued international access to monitor the delivery of assistance and ensure funds reach the most vulnerable victims of the cyclone.

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